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Financing of the United Nations Mission in Bosnia and Herzegovina

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Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General containing the financial performance report for the period from 1 July 1998 to 30 June 1999 of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) (A/54/697), including the liaison office at Belgrade and the liaison and administrative offices at Zagreb and the United Nations Mission of Observers in Prevlaka (UNMOP), which, although an independent mission, is treated as part of UNMIBH for administrative and budgetary purposes.

2. The action to be taken by the General Assembly in connection with the financing of UNMIBH for the period from 1 July 1998 to 30 June 1999 is indicated in paragraph 13 of document A/54/697. **The Committee recommends that the unencumbered balance of $19,642,720 gross ($17,805,020 net) for the period from 1 July 1998 to 30 June 1999 should be credited to Member States in a manner to be decided by the General Assembly.**

3. The Advisory Committee has also considered the report of the Secretary-General containing the proposed budget of UNMIBH for the period from 1 July 2000 to 30 June 2001 (A/54/712), including the United Nations liaison offices at Belgrade and Zagreb and UNMOP. During its consideration of the reports, the Committee met with representatives of the Secretary-General, including the Chief Administrative Officer of UNMIBH, who provided the Committee with additional information and clarifications. In its review of the budget estimates, the Committee also took into account information contained in the reports of the Secretary-General to the Security Council on UNMIBH, in particular the Secretary-General's report of 17 December 1999 (S/1999/1260).

4. Paragraph 3 of document A/54/712 sets out the actions to be taken by the General Assembly in connection with the financing of UNMIBH for the 12-month period from 1 July 2000 to 30 June 2001. **Taking into account the performance information for the period ending 30 June 1999 and the expenditure estimate for the current period, as at 31 December 1999, mentioned in paragraphs 5 to 13 and 15 below, the Advisory Committee is of the opinion that the requirements for the period from 1 July 2000 to 30 June 2001 should not exceed an amount of $150 million gross. Consequently, the Committee recommends that the General Assembly**

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appropriate and assess such amount, should the Security Council decide to continue the mandate of the Mission.

Financial performance report for the period from 1 July 1998 to 30 June 1999

5. The Advisory Committee was informed by the Controller, in his letter of 31 July 1998, that following the decisions of the Security Council in its resolutions 1168 (1998) of 21 May 1998 and 1184 (1998) of 16 July 1998, in the light of the slippage in the deployment of civilian personnel, the additional requirements resulting from the expansion of the mandate of UNMIBH would be absorbed within the resources appropriated for the Mission in General Assembly resolution 52/243 of 26 June 1998. The cost of increasing the strength of the International Police Task Force (IPTF) by 30 police was estimated at some $1.4 million and that of establishing a programme to monitor and assess the court system in Bosnia and Herzegovina at some $3.4 million for the period from 1 September 1998 to 30 June 1999.

6. The financial performance report of UNMIBH for the period from 1 July 1998 to 30 June 1999 reflects expenditures in the amount of $169,841,000 gross ($161,788,300 net), resulting in an unencumbered balance of $19,642,720 gross ($17,805,020 net). The unencumbered balance resulted mainly from reduced requirements for civilian personnel costs of $15,861,500 ($7,835,100 for civilian police and $8,026,400 for international and local staff).

7. Unspent balances under civilian police resulted primarily from an average vacancy rate of 5 per cent (no vacancy factor was applied in the budget for the police), a decrease in the daily mission subsistence allowance applicable in the mission area after 30 days from $90 to $75, effective May 1999, and reduced travel costs from savings in provisions for accompanied excess baggage which were waived by most airlines for military observers and civilian police. Under-expenditure under international and local staff reflected a high vacancy rate of 13 per cent for international staff (5 per cent was applied in the budget for international staff) and a large number of mission appointees (70 per cent of Professional and Field Service staff) whose non-entitlement to post adjustment resulted in expenditure for common staff costs lower than the standard costs budgeted. In addition, there were underutilized resources under local salaries because staff were employed at lower levels than budgeted, with an average vacancy rate of 5 per cent (A/54/697, annex II, paras. 3 and 4).

8. The Advisory Committee was provided with a detailed schedule of monthly authorized staffing and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999. The Committee was informed that movements of civilian police included the loan of 203 police monitors to the United Nations Interim Administration Mission in Kosovo (UNMIK), and discussions were under way to obtain their replacement with expertise that would be in line with the new concept of the UNMIBH operation.

9. An unutilized balance of $3,291,800 resulted from reduced operational requirements, including unspent balances under premises/accommodation ($110,500), transport operations ($1,703,100), air operations ($1,114,500), communications ($1,275,400) other equipment ($31,700) and air and surface freight ($6,600), which were partially offset by additional requirements under supplies and services ($950,000) (A/54/697, annex II, para. 6).

10. The Advisory Committee was informed that unliquidated obligations in an amount of $16.1 million, as of 30 June 1999, included in the total expenditure for the reporting period of $169,841,000 gross (A/54/697, table 1), have since been reduced to $7.3 million, as at 31 December 1999. Furthermore, under the death and disability compensation line of the budget, an amount of $788,644 was paid for nine claims, leaving a balance of $1,582,800 in unliquidated obligations and 44 pending claims, as at 31 December 1999.

11. The Advisory Committee was also informed that the total amount assessed on Member States for UNMIBH for the period from its inception on 1 January 1996 to 31 December 1999 is $674.1 million, against which the payments received amount to $606.0 million, leaving an outstanding balance of $68.1 million.

12. The Advisory Committee has commented in a previous report on the continued need to improve the present arrangements for notifying Member States about police needs for better screening, selection and

aining, thus leading to efficiency in management of olice and reductions in their cost (A/53/895/Add.6, ra. 8). In this connection, the Chief of the Civilian olice Unit of the Department of Peacekeeping perations of the Secretariat briefed the Committee on rogress made to address the problem of delays in eployment and the number of untimely repatriations f police monitors in peacekeeping operations. A view has been made of the selection process. election and assessment teams are now going to those ountries that provide a large number of police onitors. More effective methods of testing and election are under development, including moving esting from the mission area to the countries that ontribute monitors. The Committee was provided, pon request, with a breakdown by reasons for early epatriation of civilian police, for the period from July 997 to December 1999 (see annex I to the present eport). **In this connection, the Advisory Committee equests that, in future, more precise information e given on the category "failure to meet mission equirement" indicating how many repatriations ere attributable to problems in the United Nations election process. In addition, information should be upplied on the amount that has been reimbursed to he United Nations and Governments in respect of epatriations.**

3. The Advisory Committee notes from annex II, aragraph 7, of the performance report (A/54/697) that eight for vehicles was lower than the estimated cost f 15 per cent of equipment. However, in the budget roposal for the fiscal period 2000/01, the standard 15 er cent has been applied (see para. 23 below). The Committee notes that the same rate of 15 per cent has een applied for the budget of other missions (see for xample, the proposed budget for the United Nations nterim Force in Lebanon, A/54/724, annex II.C). **The Committee requests a review of these rates to etermine whether performance data warrant a hange in the standard rate.**

Information on performance for the current period

4. The Advisory Committee was informed that gainst the authorized staffing establishment of UNMIBH for the period from 1 July 1999 to 30 June 000 (28 military observers in Prevlaka, 5 military iaison officers in Bosnia and Herzegovina, 2,057 civilian police, 413 international staff, 8 National Officers and 1,437 local staff) (see A/54/712, table 2), currently encumbered posts were 26 military observers in Prevlaka, 3 military liaison officers in Bosnia and Herzegovina, 1,746 civilian police, 340 international staff, 5 National Officers and 1,297 local staff.

15. The Advisory Committee was provided with expenditure data for the period from 1 July 1999 to 30 June 2000, as at 31 December 1999. Expenditure for the period amounted to $77,543,400 against apportionment of $168,192,000 (see annex II to the present report).

Cost estimates for the period from 1 July 2000 to 30 June 2001

16. The proposed budget for the period from 1 July 2000 to 30 June 2001 for the maintenance of UNMIBH, including UNMOP and the United Nations liaison offices at Belgrade and Zagreb, amounts to $153,588,000 gross ($145,543,200 net). These estimates represent an 8.4 per cent decrease ($14,012,000) in gross terms in relation to the apportionment for the current budget period ending 30 June 2000, exclusive of provision for the support account for peacekeeping operations. As indicated in paragraph 2 and table 1 of document A/54/712, the proposed budget includes decreases of $14,309,900 or 10.9 per cent in civilian personnel costs and $1,967,600 or 19.7 per cent in staff assessment costs, partially offset by increases of $601,400 or 49.1 per cent in military personnel costs, $1,420,900 or 5.6 per cent in operational costs, and $243,200 or 106.2 per cent in costs of other programmes.

17. The proposed military and civilian police strength of UNMIBH remains at 28 military observers in Prevlaka and five military liaison officers in Bosnia and Herzegovina and 2,057 civilian police in Bosnia and Herzegovina deployed at seven regional offices and 55 police stations (see A/54/712, annex VI.D, for a detailed breakdown of the location of the International Police Task Force).

18. The Advisory Committee notes from paragraphs 4 and 6 of annex I.C of the proposed budget that the increase of $601,400 under military personnel costs relates to an increase for death and disability compensation of $800,000, offset by a decrease for military observers of $198,600. At the end of 1998, a

total of six claims had been certified for payment since the inception of UNMIBH in January 1996. A total of 44 incidents have been reported to date, and it is anticipated that for a number of cases related claims will be submitted. The Advisory Committee recalls that, as indicated in annex I.C, paragraph 2, of the proposed budget for the period from 1 July 1999 to 30 June 2000 (A/53/800), no provision was included for death and disability compensation. From the Mission's inception, $2.4 million was obligated in UNMIBH accounts and only six claims were certified, amounting to approximately $700,000, leaving a balance of $1.7 million.

19. The proposed civilian staff component comprises 398 international staff, 15 National Officers and 1,438 local staff, reflecting a decrease of 15 international staff posts and increases of seven National Officer posts and one local staff post (A/54/712, table 2).

20. As indicated in annex I.C, paragraph 1, of the proposed budget (A/54/712), the cost estimates for the period from 1 July 2000 to 30 June 2001 are based upon a 5 per cent vacancy factor in respect of civilian police and a 10 per cent vacancy factor in respect of international staff. Salaries of internationally recruited staff take into account non-entitlement to post adjustment for 70 per cent of Professional and Field Service staff, who are classified as mission appointees. Local staff costs are inclusive of a 5 per cent vacancy rate factor. The Advisory Committee notes from paragraphs 8 to 13 of annex I.C to document A/54/712 that appropriate reductions are applied to the proposed budget of UNMIBH, taking into account the performance experience for the period ending 30 June 1999.

21. The changes in the staffing requirements for the Mission are summarized and explained in section VIII.A and paragraphs 21 to 30 of the proposed budget (A/54/712). Section VIII.B of the proposed budget shows a detailed breakdown by organizational unit of current and proposed staffing. **The Advisory Committee welcomes the proposals included in paragraph 23 of the budget report, identifying 10 General Service and two Field Service posts for replacement by local posts in response to General Assembly resolution 53/233 of 8 June 1999.** In that resolution the Assembly had requested the Secretary-General, in order to reduce the cost of employing General Service staff, to continue efforts to recruit local staff for the Mission against General Service posts, commensurate with its requirements. **The Committee also recommends acceptance of the proposals in paragraphs 24 and 25 of the budget report to increase the number of National Officer posts from 8 to 15 for requirements of the Mission. The views of the Committee on National Officer posts in peacekeeping operations are indicated in paragraph 25 of its report of 1 April 1999 (A/53/895/Add.6); in this connection the Committee recalls its request for a study.**

22. The Advisory Committee notes from paragraph 30 of document A/54/712 that, consistent with its recommendation in paragraph 31 of its report of 1 April 1999 (A/53/895/Add.6), a review was undertaken of the need to have both liaison and administrative offices and in separate locations at Zagreb. As a result, some administrative functions would be consolidated with a consequent reduction of 19 posts (one P-3, two Field Service and 16 local-level posts) from 25 posts established at the Zagreb administrative office in the budget period from 1 July 1999 to 30 June 2000.

23. As indicated in annex I.C, paragraph 20, and annex II.C of document A/54/712, non-recurrent provision under transport operations amounts to $4,796,100, including $625,600 for freight at 15 per cent, for replacement of 205 vehicles out of a total inventory of 1,345. The Advisory Committee notes that, as indicated in paragraph 13 above, for the period 1 July 1998 to 30 June 1999, the freight for vehicles was lower than the estimated cost of 15 per cent of equipment. The Committee recalls that, for the 1999/00 budget, UNMIBH proposed to replace 222 vehicles and purchase five additional trucks at a cost of $3,880,100, including $506,100 for freight at 15 per cent; furthermore, UNMIBH replaced 398 vehicles in 1998/99 and 404 in 1997/98 (A/53/800, annex II.C, and A/53/895/Add.6, para. 34). Thus, starting in 1997 and ending in 2001, UNMIBH would have replaced a total of 1,229 vehicles. **The Committee is not convinced of the need to continue to replace automatically all vehicles that have reached the replacement threshold of five years old or have been driven beyond 120,000 kilometres (see A/53/800, annex I.C, para. 15). In the view of the Committee, a vehicle should not be replaced merely because it has reached the replacement cycle, but because it is no longer usable or economical to continue to operate. In addition to implementation of the current replacement policy, the Committee believes that**

other reasons for replacement (e.g., extensively damaged owing to accidents or lost because of hostility or theft) should be indicated in a more transparent manner in future budgets.

24. The Advisory Committee was provided with a summary of UNMIBH year-end inventory for the period from 1 July 1998 to 30 June 1999. While the Committee acknowledges the progress made in accounting for inventory, it does not believe the management problems identified in the past have been fully redressed. In the Committee's opinion, information provided is not always of much help in evaluating the request for additional acquisition because of discrepancies and inconsistencies in the information provided. For example, in annex II.C of the budget report (A/54/712), under the heading "Current inventory", holding of buses is given as 114 (89 light and 25 medium). However, the information provided to the Committee, as of 30 June 1999, shows holding of buses as 119 (light and medium buses are not identified). The proposed budget for 2000/01 includes provision for 14 additional light buses (at a unit price of $12,250) and 5 medium buses (at a unit price of $35,000). The Standard Cost Manual given to the Committee shows, however, a standard cost of $13,250 for light buses, but the budget report does not indicate the reasons for the discount. For the previous budget period, from 1 July 1999 to 30 June 2000, annex II.C of document A/53/800 shows the inventory of buses as 100 light and 26 medium, and the replacement of 60 light buses and 10 medium was requested, with unit prices of $13,000 for light buses and $35,000 for medium buses.

25. With respect to other equipment including communications, the Advisory Committee acknowledges the need to provide for additional capacity resulting from new refocusing of the implementation of the Mission's mandate (see para. 26 below). However, the Committee cautions against any tendency to decide automatically on the requisition of the state-of-the-art equipment. **In the view of the Committee, the current replacement policy cycles for various inventory items should be reviewed and made more transparent. As in the case of vehicles, mentioned in paragraph 23 above, equipment items should not be replaced merely because they have reached the replacement cycle but because they are no longer usable or economical.**

26. The Advisory Committee notes, from paragraph 19 of the report of the Secretary-General to the Security Council of 17 December 1999 (S/1999/1260), that "UNMIBH has developed an enhanced and potentially more effective strategic approach" to address some of the Mission's operational problems, and that "This targeted concept of operations comprises full co-location of IPTF with key local police managers, extensive use of audits and micro-audits of police administration, vigorous implementation of non-compliance and de-certification policies, and the co-location and active involvement of UNMIBH's judicial experts, as appropriate". The Committee is of the view that these changes and related realignments of resources should have been explained more clearly in the budget report. **The Committee requests that in future budgets this weakness should be remedied.**

27. Coordination among the partners in the Mission is explained in paragraphs 14 to 17 of document S/1999/1260. The Advisory Committee was informed that the main partners of the United Nations include the Office of the High Representative for the implementation of the Peace Agreement on Bosnia and Herzegovina, the multinational stabilization force (SFOR) and the Organization for Security and Cooperation in Europe (OSCE). **The Advisory Committee requests that in the future additional information be given to it, indicating the mechanisms for coordination and the various roles and functions of the partners. This would enable the Committee to ascertain the extent to which duplication is being avoided and whether resources provided by the General Assembly are being applied effectively and efficiently.**

Annex I

United Nations Mission in Bosnia and Herzegovina

Early repatriation of civilian police	*July 1997 to June 1998*	*July 1998 to June 1999*	*July to December 1999*
Medical grounds	21	20	4
Compassionate grounds	4	3	2
Failure to meet mission requirements	53	47	85
Disciplinary grounds	11	9	5
Government request	5	4	4
Deceased	6	-	-
Other grounds	42	57	33
Total	**142**[a]	**140**[b]	**133**[c]

[a] A total of 31 early repatriations were borne by the United Nations.
[b] A total of 23 early repatriations were borne by the United Nations.
[c] A total of 6 early repatriations were borne by the United Nations.

Annex II

Expenditures of the United Nations Mission in Bosnia and Herzegovina for the period from 1 July 1999 to 30 June 2000 as at 31 December 1999

(Thousands of United States dollars)

Category of expenditures	*Apportioned*[a]	*Expenditures*	*Unencumbered balance*
I. Military personnel costs	1 224.0	500.0	724.0
II. Civilian personnel costs	130 799.0	51 477.0	79 322.0
III. Operational requirements			
Premises/accommodation	4 054.8	3 060.0	994.8
Infrastructure repairs	98.0	10.0	88.0
Transport operations	7 739.5	5 312.0	2 427.5
Air operations	1 507.1	674.0	833.1
Naval operations	-	-	-
Communications	5 088.9	2 037.0	3 051.9
Other equipment	3 624.4	1 863.0	1 761.4
Supplies and services	3 072.9	1 811.0	1 261.9
Air and surface freight	150.0	70.0	80.0
Subtotal, category III	**25 335.6**	**14 837.0**	**10 498.6**
IV. Other programmes			
Election-related supplies and services	-	-	-
Public information programmes	99.5	76.0	23.5
Training programmes	129.5	49.0	80.5
Mine-clearing programmes	-	-	-
Assistance for disarmament and demobilization	-	-	-
Subtotal, category IV	**229.0**	**125.0**	**104.0**
V. United Nations Logistics Base at Brindisi[b]	1 738.5	1 738.5	-
VI. Support account for peacekeeping operations[b]	8 865.9	8 865.9	-
VII. Staff assessment	10 012.4	3 474.0	6 538.4
Total, categories I-VII	**178 204.4**	**81 017.4**	**97 187.0**

Category of expenditures	*Apportioned*[a]	*Expenditures*	*Unencumbered balance*
VIII. Income from staff assessment	(10 012.4)	(3 474.0)	(6 538.4)
Net total	**168 192.0**	**77 543.4**	**90 648.6**
IX. Voluntary contributions in-kind	-	-	-
Total resources	**168 192.0**	**77 543.4**	**90 648.6**

[a] Based on the appropriation provided in General Assembly resolution 53/233.

[b] In resolution 53/233 the General Assembly appropriated $1,738,493 for the United Nations Logistics Base at Brindisi and $8,865,888 for the support account for peacekeeping operations.